UNITED
NATIONS

E

Economic and Social Council

Distr.
LIMITED

E/ICEF/1993/P/L.33
23 March 1993

ORIGINAL: ENGLISH

UNITED NATIONS CHILDREN'S FUND
Programme Committee
1993 session

FOR ACTION

PAYMENT OF SALARY SUPPLEMENTS AND OTHER ALLOWANCES TO GOVERNMENT EMPLOYEES

SUMMARY

The present report contains a preliminary response to General Assembly resolution 47/211 of 23 December 1992, pursuant to which the Executive Director was requested to submit at the next session of the UNICEF Executive Board for its consideration, a coherent and practical policy on the payment of salary supplements and other allowances to government employees working in UNICEF-assisted programmes and projects.

CONTENTS

	Paragraphs	Page
INTRODUCTION	1	2
I. HISTORICAL BACKGROUND	2 - 3	2
II. ACTIONS TAKEN	4 - 7	3
III. PROPOSED STEPS TO BE TAKEN	8	4

INTRODUCTION

1. The present document is prepared pursuant to General Assembly resolution 47/211 on financial reports and audited financial statements and reports of the Board of Auditors endorsing all the recommendations and conclusions of the Board of Auditors and that of the Advisory Committee on Administrative and Budgetary Questions (ACABQ). In its report to the General Assembly at its forty-seventh session, the Board of Auditors raised the issue of the propriety of the payment of salary supplements and other allowances to government employees and recommended that a clear policy on the practice be developed to ensure its consistent application world wide. In its report, ACABQ requested UNICEF to examine the Board of Auditors' findings and to recommend a coherent and practical policy to the next session of the Executive Board, through ACABQ, which should be made in consultation with other agencies providing similar payments (A/47/500, para. 135).

I. HISTORICAL BACKGROUND

2. UNICEF works very closely with Governments to implement country programmes and, to a large extent, the success or failure of the programme depends on the performance of government counterparts. In some countries where UNICEF cooperates, the productivity of government officials tends to be extremely low because of very low salaries and frequent delays or non-payment of salaries to civil servants, particularly in the lower categories. In order to retain government staff in their work and to encourage better performance, external agencies, including multilaterals, bilaterals and non-governmental organizations (NGOs) sometimes pay salary supplements to government staff. Modest salary supplements to civil servants were also sometimes paid to ensure the continuity of service to children and women during civil strife. In special cases, upon the request of the Government, and for a specific period of time and in the absence of adequate appropriate budgetary provisions, the salaries of civil servants involved in programmes covered by the country programme were sometimes accommodated by UNICEF.

3. For example, in one country, UNICEF paid salary incentives to civil servants involved in the immunization campaign to increase immunization coverage, and the payment was linked to their output or performance. Partly as a result of this incentive, the immunization level of the country increased dramatically from 5 per cent in 1984 to 75 per cent in 1990 and the Government subsequently increased its normal budget allocation substantially for the expanded programme on immunization to ensure its long-term sustainability. In another country, the Government requested UNICEF to provide start-up funds for a women's income-generation project. The support was a one-time investment and the Government took over the funding as soon as the project was incorporated in the government budget.

II. ACTIONS TAKEN

4. In response to the Board of Auditors' recommendation, the secretariat conducted a survey among its field offices to gather information on the evolution of the practice and the extent to which its application, systems and procedures were being followed in the payment of salary supplements and allowances, the impact of such payments in the implementation of the programme/project and the magnitude of the amounts involved. Preliminary results of the survey indicated a very complex situation because the practice was not only followed by UNICEF, but also by many other multilateral and bilateral organizations, as well as NGOs and other organizations, and usually at the request of and in agreement with the Government. In fact, in some countries, these agencies agree on common procedures and rates for paying the incentives, and often the Government is involved in the decision to provide the incentive and the agreement is sometimes incorporated in the plan of operations.

5. As previously indicated to the Board of Auditors, the Joint Consultative Group on Policy (JCGP), composed of UNICEF, the United Nations Development Programme, the United Nations Population Fund, the World Food Programme and the International Fund for Agricultural Development, is addressing the question of payments to government staff on development projects to arrive at a common approach to ensure the full involvement of the Governments concerned and, hopefully, to lead to a coherent JCGP initiative for broad donor coordination on this issue at the field level. As the issue affects other donors and many Governments, JCGP initiative might lead to a donor/government implementation strategy for the full involvement of national personnel and the strengthening of the civil service. Towards this end, JCGP has established a working group with the following objectives:

(a) To review the policies and practices of JCGP members and recipient Governments;

(b) To review new initiatives in this area;

(c) To identify and recommend new policy approaches.

6. The working group has developed a work plan, which is summarized as follows:

Dates	Activities
18 September 1992	Joint letter to all field representatives from heads of JCGP agencies will be sent out requesting information on: (a) Civil service conditions and salaries compared to local cost of living; (b) JCGP agency practices of providing incentives to government staff;

Dates	Activities
	(c) JCGP agency practice of employing government staff full time on projects through their taking a leave of absence or resigning from government posts;
	(d) Other local initiatives and suggestions for addressing the issue of incentives to counterpart and other government staff.
March 1993	Review of existing policies of support to government staff by JCGP agencies and other donors.
January-March 1993	Analysis of field response to circular letter.
January-March 1993	Categorization of countries by similar situations.
Mid-April 1993	JCGP subgroup meets to:
	(a) Review experiences of new initiatives;
	(b) Identify countries for in-depth study;
	(c) Plan in-depth studies.
Dates to be determined	In-depth studies carried out and reports prepared.
Dates to be determined	Articulate joint policy in response to different country situations.
Dates to be determined	Articulate joint and coordinated implementation strategies for new policy, assuming full government involvement and coordination of other agencies/donors.
Dates to be determined	Submit final report with recommendations to JCGP harmonization subgroup.

7. The work plan of the working group is progressing as scheduled and, in fact, the letter to the field offices has already been sent.

III. PROPOSED STEPS TO BE TAKEN

8. It is recommended that the development of a coherent and practical policy on the payment of salary supplements and other allowances to government employees be made in coordination with the work of the JCGP Working Group and that recommendations be submitted to the 1994 session of the UNICEF Executive Board. In the meantime, the secretariat will endeavour to harmonize and tighten existing procedures for the payment of supplements and other allowances to government employees.